

Capital Program Report First Quarter 2008

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First Quarter 2008

Introduction and Definitions

As required by the *RTA Act*, each year, after public hearings, the RTA must adopt a five-year capital program that describes, by year, the nature, location and cost of all capital projects. Subsequent amendments to the capital program may occur due to funding shifts and Service Board priority changes. The *Capital Program Report* describes the status and actions of *Previous Programs* and the current *Annual Program* (2008 for this report). Definitions associated with Program activities are described below.

Grant Awards

The Service Boards receive grants from funding agencies, primarily the RTA, the Illinois Department of Transportation (IDOT) and the Federal Transit Administration (FTA). These grant awards are for projects included in the RTA's *Annual Program*. The RTA issues grant agreements (or awards) to the Service Boards based on their applications that reflect their approved capital program and marks. The capital marks reflect funds available to the Service Boards. Grant awards also include projects funded with monies such as bond proceeds or operating surpluses provided through the Service Boards' adopted budgets.

Obligations

In contrast to operating funds, which are used to provide mass transit services, the Service Boards use capital funds to repair, replace, and enhance their capital assets. The Service Boards *obligate* capital funds when they sign a contract with a third party (such as a vendor, consultant or contractor) or when they reserve the funds to pay the Service Boards' own labor to perform the work.

Expenditures

The Service Boards expend funds when they incur costs for the work completed by a third party (such as a vendor, consultant or contractor) or by the Service Boards' own labor.

Annual Program

The RTA five-year capital program is comprised of two elements: *Annual Program* that represents the current fiscal year, and an out-year program that represents future programming years.

Previous Programs

This section contains a collection of all previous *Annual Programs* as adopted yearly by the RTA Board. Please note that in this report the *Previous Programs* exclude completed and closed grants. Therefore, the total amount may be less than the originally approved amount per any given *Annual Capital Program*.

First Quarter 2008

Introduction and Definitions (continued)

SCIP bonds

The *Illinois FIRST* legislation of 1999 was directed towards improving the state's infrastructure. As part of the state's *Illinois FIRST* Program, the RTA's authorization to issue Strategic Capital Improvement Program (SCIP) bonds was increased by \$1.3 billion to \$1.8 billion. This authorization became effective in \$260 million increments each January 1, starting with 2000. The State of Illinois pays the RTA an amount equal to the debt service on these bonds. The Governor must approve a SCIP Plan prior to the use of SCIP bond proceeds to pay for any project in the Plan.

In 2006, an amendment to the *RTA Act* clarified that the SCIP program includes all of the "net available proceeds" from the SCIP bonds. An ordinance passed by the RTA Board amended the Capital Improvement Plan to add \$113.3 million in project funding, bringing the total project funding from additional SCIP bonds to \$1,413.3 million.

In the *Capital Program Report*, SCIP bonds refer to the additional \$1,413.3 million in SCIP bonds authorized by *Illinois FIRST*.

Un-obligated

The *Un-obligated* amount is the grant award total less the obligated amount.

Federal Un-obligated Balance

The *Federal Un-obligated Balance* is the un-obligated funding for all projects financed with federal and matching local grants. The *RTA Act* requires that the *Federal Un-obligated Balance* for the region must be below \$350 million to allow the RTA to submit SCIP projects to the Governor for approval. The *RTA Act* does allow the Governor to waive this requirement.

<u>Un-expended</u>

The *Un-expended* amount is the grant award total less the expended amount.

First Quarter 2008

(In millions of dollars)

Capital Program Activity

Once the capital program is adopted by the RTA Board, the Service Boards can apply for grants from various funding agencies, such as the Federal Transit Administration (FTA), Illinois Department of Transportation (IDOT) and the RTA. As a reminder, the State Fiscal Year (SFY) starts on July 1st, or six months prior to the RTA's calendar year, and the Federal Fiscal Year (FFY) starts on October 1st, or three months prior to the RTA's calendar year. Under normal circumstances, all funds (RTA, FTA, and IDOT) would be available on January 1st to issue grants to the Service Boards. However, in the last few years due to Congressional delays, the allocation of federal funds was delayed until after the beginning of the calendar year (January-March). The table below summarizes the last two years of capital program grant award activities versus the adopted capital program (new awards only).

	2007 Annual Program	Grant Awards thru 03/31/08
СТА	\$342.1	\$335.2
Metra	124.2	115.0
Pace	13.1	10.2
All Service Boards	\$479.4	\$460.4
	2008 Annual Program	Grant Awards thru 03/31/08
СТА	\$542.8	\$348.1
Metra	200.2	0.0
Pace	41.0	0.0
All Service Boards	\$784.0	\$348.1

As of the end of 2007, capital grants issued to the Service Boards represent 96 percent of the 2007 Capital Program. The remaining un-awarded funds are primarily the federal discretionary bus. flexible fund and other federal agency grants.

As of the end of the first quarter of 2008, capital grants issued to the Service Boards represent 44 percent of the 2008 Capital Program. The Service Boards had not applied to the Federal Transit Administration for their 2008 federal funds by the end of the first quarter. However, the majority of the 2008 federal funds were awared to the Service Boards in the second quarter. The grant award for the CTA includes \$300 million of CTA Bonds which the CTA has not yet issued.

First Quarter 2008

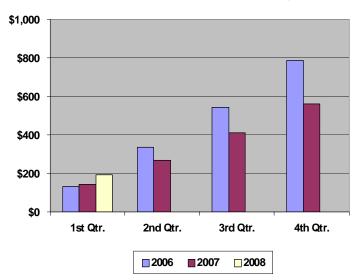
(In millions of dollars)

Regional Obligations

	Un-obligated as of 12/31/07	January-March Grant Awards	January-March Obligations	Un-obligated as of 03/31/08
2008 Capital Program Previous Programs	N/A 611.5	\$348.1 0.0	\$25.5 166.7	\$322.6 444.8
Total	\$611.5*	\$348.1	\$192.2	\$767.4

^{*}Total un-obligated amount excludes grants closed by the Service Boards through March 31, 2008. Obligated amounts reflect the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

Cumulative Regional Obligations by Quarter



The obligations for the first quarter of 2008 for the Service Boards totaled \$192.2 million.

The regional un-obligated balance as of March 31, 2008 was \$767.4 million. For the same period in 2007 and 2006, these obligations were \$616.5 million and \$664.2 million respectively. The regional un-obligated balance includes \$125 million of 2007 CTA Bonds and \$300 million of 2008 CTA Bonds which are available for capital projects but have not been issued by the CTA.

First Quarter 2008

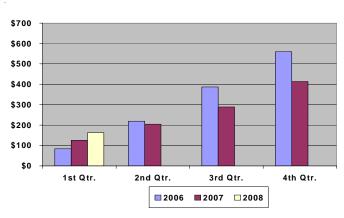
(In millions of dollars)

CTA Obligations

	Un-obligated	January-March	January-March	Un-obligated
	as of 12/31/07	Grant Awards	Obligations	as of 03/31/08
2008 Capital Program	N/A	\$348.1	\$ 25.5	\$322.6
Previous Programs	388.7	0.0	137.1	251.6
Total	\$388.7*	\$348.1	\$162.6	\$574.2

^{*}Total un-obligated amount excludes grants closed by the CTA through March 31, 2007. Obligated amounts reflect only the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

CTA Cumulative Obligations by Quarter



The first quarter of 2008 obligations for the CTA totaled \$162.6 million. These obligations include \$44.6 million for the purchase of buses, \$17.6 million for the reconstruction of the Howard Station on the Red Line, \$16.7 million for the upgrade of elevators and escalators and \$16.6 million for the replacement to reduce slow zones.

The CTA's un-obligated balance as of March 31, 2008 was \$574.2 million. For the same period in 2007 and 2006, these balances were \$387.1 million and \$424.6 million respectively. As mentioned previously regarding the regional un-obligated balance, the CTA's un-obligated balance includes \$125 million of 2007 Bonds and \$300 million of 2008 Bonds which are available for capital projects but have not been issued by the CTA.

First Quarter 2008

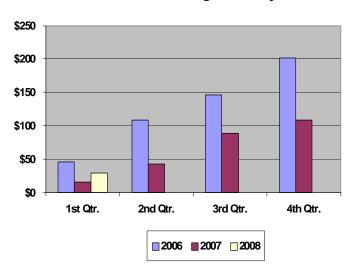
(In millions of dollars)

Metra Obligations

	Un-obligated as of 12/31/07	January-March Grant Awards	January-March Obligations	Un-obligated as of 03/31/08
2008 Program Previous Programs	N/A 186.0	\$0.0 0.0	\$0.0 29.5	\$0.0 156.5
Total	\$186.0*	\$0.0	\$29.5	\$156.5

^{*}Total un-obligated amount excludes closed grants by Metra through March 31, 2008.

Metra Cumulative Obligations by Quarter



Metra's first quarter 2008 obligations totaled \$29.5 million. This includes \$16.1 million for the rehabilitation of locomotives, \$3.4 million to renew the Salt Creek Bridge on the Milwaukee District West Line and \$1.7 million to install coded track circuits on the Milwaukee District West Line.

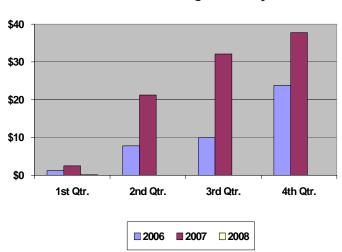
Metra's un-obligated balance as of March 31, 2008 was \$156.5 million. For the same periord in 2007 and 2006, these balances were \$163.6 million and \$170.6 million.

First Quarter 2008

(In millions of dollars)

Pace Obligations **Un-obligated** January-March **Un-obligated** January-March as of 12/31/07 as of 03/31/08 **Grant Awards Obligations** 2008 Program \$ 0.0 \$0.0 N/A \$0.0 **Previous Programs** 36.9 0.2 0.0 36.7 Total \$36.9* \$0.0 \$0.2 \$36.7

Pace Cumulative Obligations by Quarter



Pace obligated \$0.2 million in the first quarter of 2008. Pace obligated \$100 thousand for improvements to garages and facilities.

Pace has an un-obligated balance of \$36.7 million as of March 31, 2008. For the same period in 2007 and 2006, these balances were \$65.7 million and \$69 million respectively.

^{*}Total un-obligated amount excludes grants closed by Pace through March 31, 2008.

First Quarter 2008

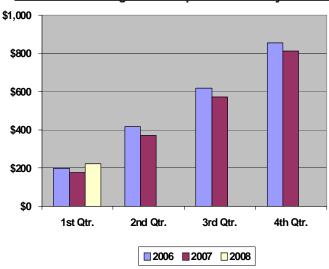
(In millions of dollars)

Regional Expenditures

	Un-expended as of 12/31/07	January-March Grant Awards	January-March Expenditures	Un-expended as of 03/31/08
2008 Program Previous Programs	N/A 1,263.8	\$348.1 0.0	\$11.7 211.4	\$336.4 1,052.4
Total	\$1,263.8*	\$348.1	\$223.1	\$1,388.8

^{*}Total un-expended amount excludes grants closed by the Service Boards through March 31, 2007.

Cumulative Regional Expenditures by Quarter



Expenditures in the first quarter of 2008 for the Service Boards were \$223.1 million.

The regional un-expended balance as of March 31, 2007 was \$1.4 billion. For the same time period in 2007 and 2006, the un-expended balances were \$1.4 billion and \$1.5 billion respectively. The un-expended balance for the region as of March 31, 2008 includes \$425 million of CTA Bonds which are available for capital projects. However, the CTA has not yet issued these bonds.

First Quarter 2008

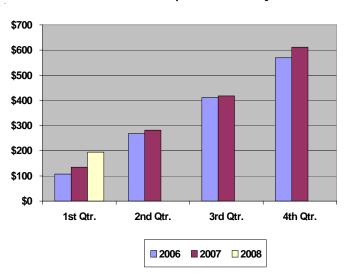
(In millions of dollars)

CTA Expenditures

	Un-expended	January-March	January-March	Un-expended
	as of 12/31/07	Grant Awards	Expenditures	as of 03/31/08
2008 Program	N/A	\$348.1	\$11.7	\$336.4
Previous Programs	853.6	0.0	137.1	670.7
Total	\$853.6*	\$348.1	\$194.6	\$1,007.1

^{*}Total un-expended amount excludes grants closed by the CTA through March 31, 2008.

CTA Cumulative Expenditures by Quarter



The expenditures for the CTA in the first quarter of 2007 totaled \$194.6 million. These expenditures include \$31.4 million for the Brown Line capacity expansion, \$29.7 million for the purchase of replacement buses, and \$28.3 million for the renewal of track and structure. It also includes \$18.3 million for the rehabilitation of the Howard Station on the Red Line and \$14.9 for the replacement of signal and power distribution systems.

The un-expended balance as of March 31, 2008 for the CTA was \$1,007.1 million including \$425 million of CTA Bonds which the CTA has not issue. For the same period in 2007 and 2006, these balances were \$980.6 million and \$1,012.1 million respectively.

First Quarter 2008

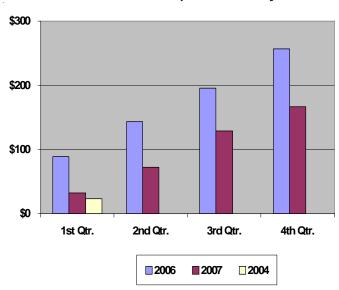
(In millions of dollars)

Metra Expenditures

	Un-expended as of 12/31/07	January-December Grant Awards	January-December Expenditures	Un-expended as of 03/31/08
2008 Program Previous Programs	N/A 329.7	\$0.0 0.0	\$0.0 22.5	\$0.0 307.2
Total	\$329.7*	\$0.0	\$22.5	\$307.2

^{*}Total un-expended amount excludes grants closed by Metra through March 31, 2008.

Metra Cumulative Expenditures by Quarter



The first quarter of 2008 expenditures for Metra were \$22.5 million. These expenditures include \$2.1 million for enhancements to locomotives and commuter cars, \$1.1 million to rehabilitate commuter cars and \$1 million to replace ties and ballast on the Union Pacific lines .

Metra's un-expended balance as of March 31, 2008 was \$307.2 million. This balance is \$76 million lower than the same periord in 2006 and \$41.4 million from the same period in 2007. These decreases in expenditure reflect the decline in the size of Metra's capital program in recent years.

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First Quarter 2008

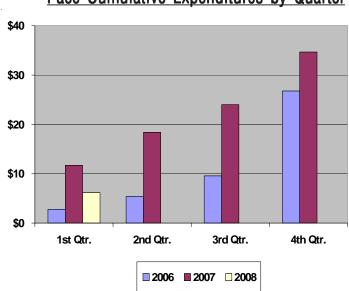
(In millions of dollars)

Pace Expenditures

	Un-expended as of 12/31/07	January-March Grant Awards	January-March Expenditures	Un-expended as of 03/31/08
2008 Program Previous Programs	N/A 80.6	\$0.0 0.0	\$0.0 6.2	\$0.0 74.4
Total Funds	\$80.6*	\$0.0	\$6.2	\$74.4

^{*}Total un-expended amount excludes grants closed by Pace through March 31, 2008.

Pace Cumulative Expenditures by Quarter



The first quarter of 2008 expenditures for Pace were \$6.2 million. This includes \$2.6 million for the purchase of fixed route buses and \$1 million for the purchase of paratransit vehicles.

The un-expended balance as of March 31, 2008 for Pace was \$74.4 million which is \$22.8 million lower that for the same period in 2007 and \$36.7 million lower than the same period in 2006. For the past five years, Pace expended an average of \$40.3 million per year. At the current annual expenditure rate, the unexpended balance represents less than two years worth of spending.

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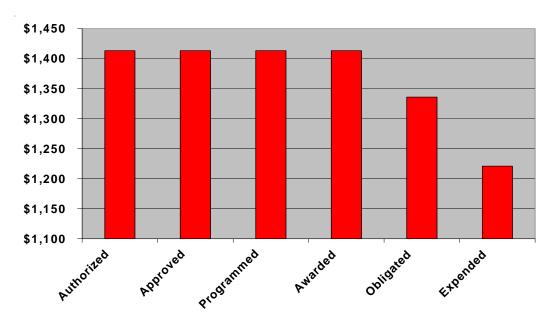
(In millions of dollars)

Strategic Capital Improvement Program (SCIP) Status

Regional

Authorizatio	n					
<u>Year</u>	<u>Authorized</u>	<u>Approved</u>	<u>Programmed</u>	<u>Awarded</u>	<u>Obligated</u>	Expended*
2000	\$260.0	\$260.0	\$260.0	\$260.0	\$258.7	\$255.4
2001	260.0	260.0	260.0	260.0	249.2	242.6
2002	260.0	260.0	260.0	260.0	257.1	229.6
2003	260.0	260.0	260.0	260.0	239.6	209.2
2004	260.0	260.0	260.0	260.0	225.0	208.2
2006	113.3	113.3	113.3	113.3	106.4	75.9
Total	\$1,413.3	\$1,413.3	\$1,413.3	\$1,413.3	\$1,336.0	\$1,220.9

^{*}Projects remain identified with a specific bond issue for reporting purposes only. Actual payments use the earliest bond proceeds available.



In 2006, an amendment to the RTA Act clarified that the SCIP Plan can include projects that do not exceed "the proceeds of" SCIP Bonds. This permitted the RTA to program an additional \$113.3 million of SCIP projects bringing the approved SCIP budget to \$1,413.3 million. All of the SCIP grants for these new funds have been awarded to the Service Boards. The Service Boards have obligated approximately 95 percent and expended 86 percent of the approved SCIP budget.

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Project Highlights

CTA

Expand Capacity for Brown Line

On January 25, 2008, the CTA placed the new inner northbound platform and tracks into revenue service at the Fullerton Station. During the first quarter, FHP Techtonics Corporation (FHP) relocated the historic station house to its permanent location north of Fullerton Avenue. FHP also completed work for the new northbound inner track and platform at the Belmont Station. The CTA placed these tracks and platform into revenue service on March 28, 2008.

At the Armitage Station, FHP continued brickwork for the historic station house and new portions of the station house. FHP also installed conduit and wiring for power and communication systems in addition to elevators, stairs and canopies. At the Chicago Station, FHP installed steel and erected the walls for the station house and did masonry work for the elevators. FHP installed platform canopies and roofs for elevator towers.

At the Damen and Irving Park stations, McHugh Construction Co. (McHugh) started the demolition of the old station houses and platforms and the installation of electrical conduit and underground sewers. McHugh also continued the renovation of column foundations for the elevated structure at the Damen Station.

At the Southport Station, FHP installed stairs in addition to platform railing, decking, lighting and fixtures. FHP also did station interior work including installing the floor, kiosk and elevators. The CTA reopened the Southport Station for revenue service on March 30, 2008. On this date, the CTA closed the Wellington and Paulina stations for reconstruction. At the Diversey Station, FHP installed the station house steel and started brickwork. FHP also installed the platform joists and decking.

Reconstruct Howard Station on the Red Line

The CTA previously awarded a contract to James McHugh Construction Company (McHugh) to reconstruct the Howard Station on the Red Line. This work includes the renovation of the station house and platform areas, reconstruction of the bus terminal and parking and rehabilitation of the Howard Street viaduct.

The station will be made fully ADA accessible. In addition, the CTA will upgrade the station's communications, electrical and lighting systems. During the first quarter, McHugh continued the installation of platform canopies, escalators and elevators, light fixtures, roofing and plumbing. The CTA expects to complete this work in 2009.

Replace Nine Escalators in Red and Blue Subway Stations

The CTA awarded a contract to F. H. Paschen/S. N. Nielsen & Associates, LLC to replace nine escalators at five subway stations on the Red and Blue lines. These stations include the Harrison, Madison-Monroe and Randolph-Washington stations in the Dearborn Subway on the Blue Line and the Jackson-Van Buren, Adams-Jackson and Monroe-Adams stations in the State Street Subway on the Red Line.

All of these escalators have exceeded their service life. The CTA expects to complete these replacements by the end of 2009.

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CTA (cont.)

Purchase 1,030 Low-Floor Buses

During the first quarter, New Flyer of America (New Flyer) delivered 69 low-floor standard buses. New Flyer has delivered a total of 574 of these buses to date. Last year, the CTA exercised the final two options in their contract with New Flyer to purchase an additional 400 buses for a total of 1,030 buses.

<u>Upgrade Signal and Traction Power Systems</u>

During the first quarter, Aldridge Mass, a Joint Venture (AM) continued the replacement and upgrade of signal, traction control and communication systems on the Blue Line. On the O'Hare Branch, AM completed the Belmont and California interlockers, continued the installation of signal fiber optics cable and installed the Armitage and Damen relay houses. In the Dearborn Subway, AM continued signal room restoration and the installation of signal power conduit. On the Congress Branch, AM installed signal fiber optic cable from the Medical Center Station to the Halsted Station and began the installation of local sign cable from Racine Station to Western Station,

Eliminate Slow Zones on Rail Lines

In July of last year, the CTA announced a program to accelerate the track repairs needed to permit trains to run at normal operating speeds on CTA rail lines. Between last summer and March 2008, the CTA removed nearly 25 percent of the slow zones in the rail system. The CTA upgraded approximately 62,000 feet of deteriorated track.

Metra

Provide for Rebuilding Locomotives

During the first quarter 2008, Metra awarded a contract to Progress Rail Services Corporation to rebuild twelve locomotives. These locomotives were built in 1977 and 1978 and have major components that must be replaced. The work will include such things as the complete rebuilding of the diesel engine, overhaul of the traction alternator, replacement of the air compressor and modification of the electrical and control systems including the complete rewiring of these systems.

<u>Renew Salt Creek Bridge – Milwaukee District West Line</u>

Metra awarded a contract to Rausch Construction Co., Inc. to renew the Salt Creek Bridge on the Milwaukee District West Line in Wood Dale. This bridge was built in 1933 and 1934. Due to their age, the steel spans, piers and abutments for the bridge must be replaced. The contractor will also replace the timber deck and walkway with a ballasted deck.

<u>Install Coded Track Circuit Cable – Milwaukee District West Line</u>

Metra awarded a contract to P. B. Americas, Inc. for the design of coded track circuits on portions of the Milwaukee District West Line. Currently, signal status for portions of this line is communicated through wires on a pole line and mechanical relays. This system is extremely old and has reached the end of its useful life.

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Metra (cont.)

The new system will send signal messages through the track and buried cable and will permit the elimination of the pole line.

Provide for Locomotive and Commuter Car Enhancements

Metra is updating their locomotives and commuter cars with technological innovations which will provide operational enhancements for these vehicles. These enhancements include the purchase of training simulators for engineers on cab cars, locomotives and highliner cars and the purchase of an electronic train management system (ETMS) that will integrate with existing train control and operating systems to help prevent track authority and speed limit violations and unauthorized entry into work zones. Metra is also installing additional emergency exit and entry windows on commuter cars and purchased two emergency vehicles for the Electric District for power failures.

During the first quarter, Metra completed the installation of ETMS on four locomotives and nine cab cars. Metra has now completed this installation on a total of 15 locomotives and 17 cab cars.

Rehabilitate Commuter Cars

Metra is performing life extending rehabilitation of twenty-seven commuter rail cars. These cars have not undergone any type of programmed overhaul since 1992. They were built in 1953 or 1973/1974 and their major components are wearing out. The rehabilitation of these cars is required to insure the cars obtain their useful service life. In the first quarter, Metra completed this rehabilitation for three commuter cars and completed work on a total of eleven of the cars to date.

Pace

Improve Garages and Facilities

In the first quarter 2008, Pace awarded a contract to Doors Systems Inc. to replace pedestrian doors at the South, South Holland, Heritage, West, Northwest, North and Fox Valley bus facilities. Pace is making improvements and upgrades at various Pace garages and passenger facilities. Examples of projects include renovations to various areas in the interior of the garage at West and North Shore, paving lot improvements at the Southwest and Northwest Divisions, with fire sprinkler upgrades taking place at the Northwest facility. Construction of the headquarters building was approximately 14 percent complete at the end of the quarter. Pace expects completion of the construction in Novermber 2008.

Purchase 222 Fixed Route Buses

El Dorado National previously delivered all of the buses in their contract with Pace. Pace is now making the final payments for the buses delivered under this contract. These buses are fully accessible and equipped with Pace Intelligent Bus System. They will replace buses purchased between 1993 and 1997 that have reached the end of their useful life.

Purchase 489 Paratransit Vehicles

Pace awarded a five-year contract to Midwest Transit Equipment last year to purchase up to 489 paratransit vehicles. Pace has funding in the first year of this contract to purchase 145 paratransit vehicles. All of these vehicles will replace vehicles that have exceeded their useful life.

In the first quarter, the first 50 chassis for these vehicles were delivered to the plant for the assembly. Construction of the pilot bus was nearing completion. Pace expected delivery of this vehicle in the near future.